

**Mt. Pleasant City
Local Building Authority
Board of Trustees Meeting
Minutes
May 10, 2016
6:30 p.m.**

The Mt. Pleasant City Local Building Authority held a public hearing May 10, 2016 at 6:30 p.m. The meeting was held in the Council Chambers, 115 West Main St., Mt. Pleasant, Utah.

1. Welcome:

Chairperson David H. Blackham welcomed everyone to the meeting.

2. Roll Call:

Justin Atkinson, Kevin Stallings, hadn't arrived yet; Dan Anderson, David H. Blackham, Heidi Kelso, Keith Collier, Monte R. Bona, Treasurer, Dave Oxman and Recorder Jane Banks. Others present: Angie Stewart, Megan Batterman, James Tilson, Shane Ward, Ron and Claudia Bennion.

3. Approval of Agenda Items:

Dan Anderson made a motion to approve the agenda for the Local Building Authority Board of Trustees Meeting of May 10, 2016 as written. 2nd: Heidi Kelso
All in favor: Unanimous Nay: None. Motion carried.

4. Approval of Minutes:

Justin Atkinson made a motion to approve the minutes from the March 26, 2015 meeting as written. 2nd: Heidi Kelso All in favor: Unanimous Nay: None.
Motion carried.

5. 2016/2017 Tentative Budget:

Chairperson David H. Blackham presented the 2016/2017 Tentative Budget. He asked Monte Bona to explain why there are so few items on the budget for the LBA.

Monte Bona explained why the Mt. Pleasant Local Building Authority was created and its purpose. Whenever you are issuing revenue bonds in the State of Utah, you have to form a non-profit corporation. The council sits as a Board of Trustees of a 501C3 non-profit Corporation. The building authority at this point has only been used to develop the events center. The event center was developed with a similar package to what the pool is. Namely that we got a \$565,000 grant and \$1.5 million dollar loan at 2.5 percent over a 30 year loan. We got other grants as well. We set this up this way so you wouldn't have to keep track of everything that happened down there for operations. We made it really simple. The Local Building Authority owns the building and leases it back to Mt.

Pleasant City CDRA. It shows on the revenue side as receiving the amount of the lease. The line items and the details go through the CDRA budget. It is basically a pass-through account. The \$2.5 million is on the budget in case the council approves moving forward with the swim pool.

Dan Anderson made a motion that we accept the Local Building Authority 2016/2017 Tentative Budget as written. 2nd: Justin Atkinson

Discussion on the motion. Justin Atkinson noticed that there was a difference on the names. One said Local Building Authority and the other Municipal Building Authority. It was explained that they are used sinuously. Ours technically a Local Building Authority.

All in favor: Aye. Nay: None. Motion carried unanimously.

6. Discussion and action on the Contoy Arena and Sanpitch Event Center:

Monte Bona explained that the information that the council was looking at was the Community Impact Board bond payment for the Contoy Arena. He asked the council to look at Exhibit B. The analysis to maturity and the amortization schedule are more detailed but look at the summary. Here's the key to how this has been being paid. The Local Building Authority is in a situation where it has been paying the bond payment out of the tax increment. The Community Development and Renewal Agency did not receive the proper amount of increment. The CDRA goes out of business in December 2018 and we will still owe \$1,000,330 on the loan to CIB. We looked at paying double or triple payments in 2013 but we decided that we are trying to build up the facility down there and we have 2.5 percent money. The decision was made to move forward and build the best facility we could. Commencing in September of 2019 we will no longer have the tax increment, which currently is about \$106,000 a year to pay this payment. The payment is \$48,000 a year. Wasatch Academy has a sub-lease to use the facility for their equestrian program for which they pay \$20,000. The net to us to pay would be \$28,000. It costs approximately \$24,000 for operation and maintenance and it has been bringing in approximately that in revenue a year. We are hoping that putting more improvements into the facility down there will help raise the yearly revenue. The covered stalls is one of those improvements to help with the revenue. The Skyline Eventing Park is another source. We have seen some more revenue from the other events that are coming into the Contoy Arena as well. We have been very careful of how we have handled the money there.

7. Discussion and action on the Pool:

Chairperson Blackham explained that we have the funding in place of \$1 million grant and \$1million loan at 2.5% for 30 years from the Community Impact Board. We have the RFP's back and two of them will be within that \$2 million budget. We are hoping the deal for the land will be given to us from the North Sanpete School District. Then we will have all the pieces in place to begin building.

Monte Bona directed the board to their packets. The BYU Research team put an in-depth analysis of running a pool. Pool Revenue is estimated at \$106,191 and Wasatch Academy has committed to \$30,000 per year to use that for their swim team. It will most likely cost \$200,000 for operation and maintenance. It leaves a deficit of about \$64,262 per year. During the CDRA, we will continue this discussion to take action. The BYU Research Team will be with us until the completion of the project.

8. Adjourn: 6:59 p.m.

Jane Banks, Recorder